

**The Curetivity
Foundation**
(A Not-For-Profit Corporation)
Financial Statements
December 31, 2017



MAZARS

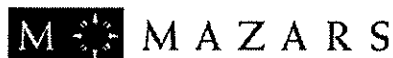
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The Curetivity Foundation
(A Not-For-Profit Corporation)

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Independent Auditors' Report

To the Board of Directors
The Curetivity Foundation

We have audited the accompanying financial statements of The Curetivity Foundation (a Not-For-Profit Corporation), which comprise the statement of financial position as of December 31, 2017, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Curetivity Foundation as of December 31, 2017, and changes in its net assets and its cash flows for the year then ended in accordance accounting principles generally accepted in the United States of America.

Mazars USA LLP

November 14, 2018

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The Curetivity Foundation
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Statement of Financial Position
December 31, 2017

Assets

Cash and cash equivalents	<u>\$ 40,615</u>
Total assets	<u>\$ 40,615</u>
Unrestricted net assets	<u>\$ 40,615</u>

The accompanying notes are an integral part of these financial statements.

The Curetivity Foundation
(A Not-For-Profit Corporation)

Statement of Activities
Year Ended December 31, 2017

Support and revenue	
Special events, net of direct event expenditures of \$123,551 and donated facilities and goods of \$74,224	\$ 812,794
Contributions	120,275
Total revenue	<u>933,069</u>
 Program expenses - St. Jude Children's Research Hospital	 <u>926,716</u>
 Supporting services	
Management and general	76,716
Fund raising	76,716
Total supporting services	<u>153,431</u>
Total expenses	<u>1,080,147</u>
 Change in net assets	 (147,078)
 Unrestricted net assets - beginning	 <u>187,693</u>
 Unrestricted net assets - end	 <u>\$ 40,615</u>

The accompanying notes are an integral part of these financial statements.

The Curetivity Foundation
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Statement of Functional Expenses
Year Ended December 31, 2017

	PROGRAM SERVICES	SUPPORTING SERVICES		
	St. Jude Children's Research Hospital	Management and General	Fund Raising	Total
Grants	\$ 850,000	\$ -	\$ -	\$ 850,000
Salaries	37,391	37,391	37,391	112,173
Payroll taxes and fringe benefits	3,006	3,006	3,006	9,018
Travel and entertainment	1,383	1,383	1,383	4,149
Insurance expense	2,356	2,356	2,356	7,068
Office supplies and expense	8,462	8,462	8,462	25,386
Marketing and rebranding expense	9,787	9,787	9,787	29,360
Professional fees	14,331	14,331	14,331	42,993
	<u>\$ 926,716</u>	<u>\$ 76,716</u>	<u>\$ 76,716</u>	<u>\$ 1,080,147</u>

The accompanying notes are an integral part of these financial statements.

The Curetivity Foundation
(A Not-For-Profit Corporation)

Statement of Cash Flows
Year Ended December 31, 2017

Cash flows from operating activities	
Change in net assets and net cash used in operating activities	<u>\$ (147,078)</u>
Net decrease in cash and cash equivalents	(147,078)
Cash and cash equivalents	
Beginning	<u>187,693</u>
End	<u><u>\$ 40,615</u></u>

The accompanying notes are an integral part of these financial statements.

The Curetivity Foundation

(A Not-For-Profit Corporation)

Notes to Financial Statements

Year Ended December 31, 2017

1. Nature of Organization

The Curetivity Foundation (A Not-For-Profit Corporation) (the "Foundation") was organized as a charitable corporation on April 19, 2007, in the state of New York. The purpose of the Foundation is to provide support for charitable, religious, scientific, literary, or educational purposes and to solicit, receive, maintain, and disburse funds for these purposes and for the betterment of children.

In furtherance of this mission, the Foundation has provided substantial support to St. Jude Children's Research Hospital ("St. Jude"). In 2017, the Foundation contributed \$850,000 to St. Jude and helped raise an additional \$2,018,000 contributed directly to St. Jude by donors through various fundraising initiatives.

In addition to supporting St. Jude since its inception, the Foundation has pledged \$20 million to St. Jude. The nonbinding pledge was formalized November 30, 2012 when the Foundation entered into a \$20 million dollar/10-year nonbinding commitment with St. Jude for the naming rights to *The Eric Trump Foundation Surgery & Intensive Care Unit Center*, a new state-of-the-art medical center in Memphis, Tennessee. Through 2017, the Foundation has already donated through direct and indirect contributions almost \$17 million towards their \$20 million pledge to *The Eric Trump Foundation Surgery & Intensive Care Unit Center*, which officially opened on February 19, 2015. Additionally, the Foundation continued to successfully demonstrate a low expense ratio.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents.

During the year, the Foundation may have cash at banks in excess of FDIC-insured limits and is exposed to the credit risk resulting from this concentration of cash. At December 31, 2017, the Foundation had \$643,000 of bank balances in excess of the FDIC-insured limit.

Contributions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, then temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support and revenue, expenses and changes in net assets as net assets released from restrictions. However, the receipt of any restricted contributions for which restrictions expire, or are otherwise satisfied within the period of receipt, are reported as unrestricted revenues.

Unconditional promises to give are recognized as revenue when the promise is received. Unconditional promises to give that are expected to be collected within one year are recorded at fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

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Contributed Services

Some individuals volunteer their time and perform a variety of tasks that assist the Foundation with its charitable and educational programs. Donated services are reported as contribution revenue and expenses only if the services create or enhance a nonmonetary asset, or would typically need to be purchased by the organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with such specialized skills. The volunteer hours that the Foundation receives each year have not been recorded in the statement of support and revenue, expenses and changes in net assets, as they do not meet these criteria.

Net Assets

The net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted

Unrestricted net assets are undesignated and available for general purposes and are used for the general activities of the Foundation.

Temporarily Restricted

Temporarily restricted net assets consist of resources, the use of which have been restricted by donors. The release of net assets from restrictions results from either the satisfaction of the restricted purposes specified by the donors or from the passage of time. At December 31, 2017, there were no temporarily restricted net assets.

Permanently Restricted

Permanently restricted net assets consist of resources, the use of which have been permanently restricted by donors and the income of which is directed for specific programs by the donor. At December 31, 2017, there were no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation, a not-for-profit organization, is exempt from Federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"). The Foundation applied for and has been granted treatment as a public charity, as authorized by Code Sections 509(a)(1) and 170(b)(1)(A)(vi), effective April 20, 2007. Those Code sections enable the Foundation to accept donations which qualify as charitable contributions to the donor.

The Foundation has adopted the Financial Accounting Standard Board's authoritative guidance pertaining to accounting for uncertainty in income taxes. This guidance prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken by the Foundation. As of December 31, 2017, the Foundation determined that it had no income tax uncertainties which would have a material effect on the financial statements. The Foundation is no longer subject to Federal, state, and local income tax examinations by the tax authorities for years before December 31, 2015.

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Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of support and revenue, expenses and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

3. Related Party Transactions

For the year ended December 31, 2017, the Foundation recorded approximately \$129,000 in revenue from members of the Board of Directors, their family members and their related organizations.

4. Contingency

The New York Attorney General's Charities Bureau was reviewing the practices of the Foundation in 2017. The Foundation fully cooperated with the Charities Bureau and has no reason to believe that the Charities Bureau will take any actions that could impact the assets of the Foundation. The Charities Bureau has represented that its review was a compliance action rather than an enforcement action, and the Foundation has not received any further communications with respect to the review since early 2018. The Foundation is not aware of any other pending or threatened claims or assessments against the Foundation.

5. Subsequent Events and Other Matters

The Foundation has evaluated subsequent events through November 14, 2018, the date the financial statements were available for issuance.